

SENATE BILL 2265  
By Crutchfield

AN ACT to amend Tennessee Code Annotated, Title 65, Chapter 5, relative to price regulation for certain telecommunication services.

WHEREAS, under state and federal law, incumbent local exchange carriers are required to lease unbundled network elements to competitive local exchange carriers; and

WHEREAS, at this time, there is insufficient competition among facilities-based local exchange carriers to ensure that unbundled network elements are priced at competitive rates; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The general assembly finds that the Tennessee regulatory authority shall ensure that rates charged to competitive carriers by incumbent local exchange carriers for unbundled network elements, if not resolved by agreement or established by the authority in accordance with 47 U.S.C. § 252(d)(1), are equal to the prices that would be charged in a fully competitive market.

SECTION 2. Tennessee Code Annotated, Section 65-5-209, is amended by deleting subsection (d) and substituting instead the following:

(d) In any location where an incumbent local exchange carrier is required by federal or state law to lease a network element to a competitive local exchange carrier and where the pricing standard set forth in 47 U.S.C. § 252(d)(1) does not apply, the local exchange carrier shall charge no more than a just and reasonable rate for each such element, whether provided alone or as part of a combination of elements or for a combination of elements:

(1) A rate shall be considered just and reasonable for purposes of this section if the rate is:

(A) Agreed to by the carriers;

(B) Established by the authority in accordance with 47 U.S.C. § 252(d)(1); or

(C) Equal to the rate which would be charged in a fully competitive market for the supply of the particular element.

(2) For purposes of this part, a fully competitive market for the supply of an element is one in which there are multiple providers of the element so that the price of that element is equal to the marginal cost of the element that incorporates a reasonable rate of return.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.